

BUDGET SUPPLEMENT FORM - Fiscal Year 2004/2005

Service Number: DPR-55 & 70

Service Description: Tournament Services - Sunnyvale & Sunken Gardens Golf Courses

| | | | |
|-------------------------|---|---------------------|----------------------|
| PROGRAM | Golf Operations and Services - 645 | | |
| SERVICE DELIVERY PLAN | Golf Shop Services - 64504 & 64508 | | |
| | | | |
| TOTAL CHANGE IN FUNDING | \$0 Budget Cuts proposed; Revenue increase of \$4,198 proposed instead of budget cuts | | |
| | FISCAL IMPACT | TOTAL CURRENT COSTS | TOTAL PROPOSED COSTS |
| | | \$ 52,360 | \$ 52,360 |

**DESCRIBE THE EFFECTS OF THE CITY COUNCIL'S PRELIMINARY POLICY DIRECTION
REGARDING THIS SERVICE OR CHANGE TO SERVICE LEVEL.**

While Tournament Customer, Sales and Reservations Services could be reduced by 5% or more, the result would provide less green fee income for the golf courses and consequently the Community Recreation Fund. These services provide for support tasks (solicitation letters, processing applications and managing tee reservations) for the tournaments that are key in retaining market priced portions of the golf play mix at the course. A reduction in tournament services would result in fewer tournaments played and result in fewer paid market rate fees. This would occur as most tournaments are made up of players that do not purchase discount cards, but pay full fees. However, Council has expressed interest in creating a new fee for tournament play to help offset the service costs. Staff has included new fees with the FY 2004-05 budget for this purpose. Since Tournament Contracts are approved in September each year, staff would recommend that the new fee be applied at the start of the 2005 golf season - April 1, 2005. This charge would offset some of the costs to provide the Tournament Customer Services noted and could be adjusted in future years as market conditions change and golfers reception of new fees is measured. Proposed fees are \$2.00 for Sunnyvale GC and \$1.00 for Sunken Gardens GC. In the first full year (FY05/06) fees would result in revenue far exceeding the targeted 5% of the costs for this service. However, at nominal risk of negative impact to play, an additional 5% of service costs at both golf courses could be accomplished if Council determined to further increase the Tournament Fee at Sunnyvale GC from \$2.00 to \$2.50.

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*DESCRIBE THE EFFECTS ON THE OUTCOME STATEMENT AND OUTCOME MEASURES
AT EITHER THE PROGRAM AND/OR SERVICE DELIVERY PLAN LEVEL*

PROGRAM

CURRENT OUTCOME STATEMENT

PROPOSED OUTCOME STATEMENT

| | |
|-----------|-----------|
| NO CHANGE | NO CHANGE |
|-----------|-----------|

OUTCOME OR PERFORMANCE MEASURES

| MEASURE | CURRENT | PROPOSED |
|-----------|---------|----------|
| NO CHANGE | | |
| | | |
| | | |

SERVICE DELIVERY PLAN (SDP)

CURRENT OUTCOME STATEMENT

PROPOSED OUTCOME STATEMENT

| | |
|-----------|-----------|
| NO CHANGE | NO CHANGE |
|-----------|-----------|

OUTCOME OR PERFORMANCE MEASURES

| MEASURE | CURRENT | PROPOSED |
|-----------|---------|----------|
| NO CHANGE | | |
| | | |

ACTIVITIES/PRODUCTS

| DESCRIPTION | ACTIVITY # | PRODUCT TYPE | PRODUCT |
|---------------------------------|------------|----------------------|---------|
| Tournament Services - Sunnyvale | 645410 | Tournament Conducted | 320 |
| Tournament Services - Sunken | 645810 | Tournament Conducted | 280 |
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